



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2006 REGULAR SESSION

HOUSE BILL NO. 314

AS ENACTED

TUESDAY, MARCH 21, 2006

RECEIVED AND FILED
DATE March 30, 2006
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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to a veterans' personal loan program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO
READ AS FOLLOWS:

(1) As used in this section:

(a) "Department" means the Department of Veterans' Affairs; and

(b) "Veteran" means a person who served in the active Armed Forces of the United States, including the Coast Guard of the United States, and was released, separated, discharged, or retired therefrom under honorable or general conditions.

(2) A veterans' personal loan program trust fund is established to oversee and administer funds under the veterans' personal loan program.

(3) (a) To be eligible for a loan under the veterans' personal loan program, an applicant shall be a resident of, and living in, the Commonwealth on the date of the application.

(b) 1. As used in this paragraph, "qualified" means having met loan conditions established by an administrative regulation promulgated by the department. However, the term of a loan shall not exceed ten (10) years.

2. The department shall cause the veterans' personal loan program trust fund to lend a qualified veteran or deceased veteran's unremarried spouse not more than ten thousand dollars (\$10,000), or a lesser amount established by an administrative regulation promulgated by the department, for:

a. The purchase of a home, business, or business property;

b. The education of the loan applicant or the loan applicant's spouse;

1 c. The payment of family medical or funeral expenses; or

2 d. The consolidation of debt.

3 3. The department shall cause the veterans' personal loan trust fund to
 4 lend a qualified child of a veteran or parent or guardian of that child
 5 not more than ten thousand dollars (\$10,000), or a lesser amount
 6 established by an administrative regulation promulgated by the
 7 department, for the education of that child, who is under the age of
 8 twenty-seven (27), at a university, junior college, vocational training
 9 institute, or nonpublic school admitting children in preschool through
 10 grade twelve (12).

11 (c) No person shall receive a loan under this section in an amount that, when
 12 added to the balance of the person's existing loan, or loans, under this
 13 section, would result in a total indebtedness to the veterans' personal loan
 14 program trust fund of more than ten thousand dollars (\$10,000), or a lesser
 15 amount established by an administrative regulation promulgated by the
 16 department.

17 (4) (a) The veterans' personal loan program trust fund shall:

18 1. Execute necessary instruments; and

19 2. Collect principal and interest.

20 (b) The veterans' personal loan program trust fund may:

21 1. Compromise indebtedness;

22 2. Sue and be sued;

23 3. Post bonds;

24 4. Write off indebtedness that it considers uncollectible;

25 5. Exercise the rights of an owner and mortgagee if a loan provided
 26 under this section is secured by a real estate mortgage;

27 6. Charge to a loan applicant loan expenses incurred under this section;

1 and


2 7. a. Receive state appropriations, gifts, grants, federal funds, and any
3 other funds both public and private.

4 b. Funds received, which are not necessary for the operation of the
5 veterans' personal loan program trust fund, shall remain with
6 the department to finance other department operations.

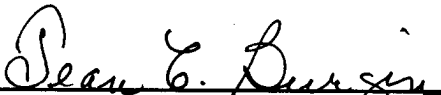
7 (5) The department shall promulgate administrative regulations necessary to carry
8 out the provisions of this section.



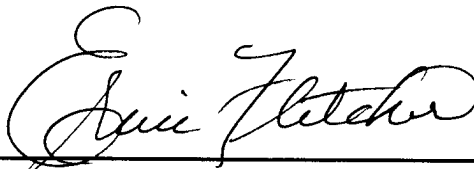
Speaker-House of Representatives



President of the Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 
